

## Message Text

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ORIGIN SS-10

INFO OCT-01 ISO-00 /011 R

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FM SECSTATE WASHDC

TO AMEMBASSY CARACAS

C O N F I D E N T I A L STATE 157239

EXDIS, PASS TO US DEL FOR LOS

FOLLOWING REPEAT SAIGON 9520 SENT ACTION SECSTATE INFO PHNOM  
PENH & PARIS DATED 18 JULY 1974:

QTE

C O N F I D E N T I A L SAIGON 9520

EXDIS

E.O. 11652: GDS

TAGS: ENRG, PBOR, VS, CB

SUBJECT: GVN/GKR DISPUTE OVER OFFSHORE AREAS

REF: SAIGON 9838 (1973)

1. SUMMARY: ELF-ERAP (ESSENCES ET LUBRIFIANTS DE FRANCE-ENTERPRISE  
DE RECHERCHES ET D'ACTIVITES PETROLIERES) HAS AMERICAN OWNED RIG  
IN OFFSHORE GVN-GKR DISPUTED AREA IN GULF OF SIAM READY TO START  
DRILLING. AFTER RECENT ATTEMPT TO SOLVE PROBLEM OF OVERLAPPING  
CLAIMS WAS ABORTED BY SHIFT IN GKR NEGOTIATING POSITION, GVN  
ORDERED NAVAL VESSEL TO CHECK DOCUMENTATION OF RIG BUT NOW HAS  
COUNTERMANDED THIS ORDER PENDING FURTHER CONSIDERATION WITHIN GVN.  
WE ARE SUGGESING TO GVN THAT FURTHER NEGOTIATIONS WOULD SEEM TO BE IN  
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THE BEST INTEREST OF ALL CONCERNED. END SUMMARY.

2. MR. MANGUY, FRENCH MANAGER OF ELF-ERAP OPERATIONS IN CAMBODIA, VISITED SAIGON IN EARLY MAY FOR PURPOSE OF PRESENTING GKR PROPOSAL FOR SETTLEMENT OF SUBJECT PROBLEM TO GVN'S NATIONAL PETROLEUM BOARD (NPB). GKR PROPOSED DIVISION OF DISPUTED AREAS BY PERPENDICULAR LINE EXTENDING WESTWARD FROM MID POINT OF ANOTHER LINE DRAWN BETWEEN KR-OCCUPIED POULO WAI AND VN-OCCUPIED HON PAJANG. AREA NORTH OF PERPENDICULAR LINE WOULD BE CONSIDERED KR WHILE AREA SOUTH OF LINE WOULD BE VN. NOTHING WAS SAID ABOUT AREA TO EAST OF LINE CONNECTING TWO ISLAND GROUPS OR ABOUT SOVEREIGNTY OF ISLANDS. PROPOSAL WAS MERELY CONCERNED WITH SOLVING JURISDICTION OF AREAS WITH FAVORABLE GEOPHYSICAL STRUCTURE FOR OIL. NPB OFFICIALS TOLD MANGUY THAT PROPOSAL WAS FAIR AND THEY WOULD RECOMMEND APPROVAL.

3. ON JULY 10 MANGUY RETURNED AND INFORMED NPB OFFICIALS THAT GKR HAD CHANGED ITS MIND. GKR NOW WANTED LINE TO START NOT AT MID POINT BUT THREE-FOURTHS OF DISTANCE TOWARD HON PAJANG. MANGUY WAS TOLD NEW GKR PROPOSAL WAS UNACCEPTABLE.

4. MANGUY ALSO INFORMED NPB THAT ELF-ERAP WOULD BE DRILLING SOON IN UPPER MIDDLE PORTION OF BLOCK 30. (SEE MAP OF CONCESSION AREA FOR SECOND ROUND OF BIDDING ATTACHED TO SAIGON A-43 TO DEPT. COPIES OF MAP BEING POUCHED PARIS AND PHNOM PENH.) LOCAL ESSO REP HAS LEARNED FROM HIS HEAD OFFICE THAT RIG IS ALREADY ON LOCATION BUT HAS NOT STARTED DRILLING YET. LOCAL SOURCES REPORT RIG IS GLOMAR IV OWNED BY AMERICAN FIRM GLOBAL MARINE INC. THIS RIG HAS BEEN CONTRACTED BY MOBIL TO START DRILLING IN ITS CONCESSION AREAS OFF VIETNAM IN SEPTEMBER.

5. NPB OFFICIALS INFORMED EMBOFF JULY 16 THAT MFA HAD LEARNED FROM ITS EMBASSY IN PHNOM PENH OF ELF-ERAP INTENTION OF DRILLING IN DISPUTED AREA AND THAT MFA HAD NOTIFIED NPB AND VN NAVY. NPB OFFICIALS ALSO INDICATED THAT NAVY MIGHT SEND WARSHIP TO VERIFY PRESENCE OF RIG. EMBASSY CHECKED WITH NAVY SOURCES JULY 17 WHO CONFIRMED THAT PATROL BOAT IN VICINITY HON PAJANG HAD INDEED BEEN ORDERED TO CHECK DOCUMENTATION OF RIG. THIS ORDER WAS CANCELLED JULY 18 FOLLOWING EMBASSY DISCUSSION WITH NAVAL OFFICIALS NOTING RIG WAS AMERICAN-OWNED AND AN INCIDENT WOULD BE UNFORTUNATE.

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6. COMMENT: IT WILL BE RECALLED ELF-ERAP DRILLED IN BLOCK 32 IN SEPT.-OCT. 1972. AT THAT TIME NPB WAS QUITE DISTURBED AND THERE WAS TALK THEN OF SENDING VNN TO RECONNOITER RIG SITE. FORTUNATELY FIRST ATTEMPT WAS DRY HOLE. TO PREVENT ANY INCIDENTS TALKS WERE HELD IN MAY 1973 BETWEEN TWO SIDES, BUT THEY FAILED. ALTHOUGH NEW DRILLING SITE APPEARS TO BE ON CAMBODIAN SIDE OF PERPENDICULAR LINE DRAWN FROM MID POINT, GVN MAY YET CONSIDER ELF-DRAP ACTION TO PROCEED WITH DRILLING PROVOCATIVE ESPECIALLY SINCE LAST GKR

PROPOSAL WAS UNACCEPTABLE TO NPB. THIS NEW PROPOSAL HEIGHTENS  
SUSPICION AMONG NPB OFFICIALS THAT NEW LOCATION MAY BE IN  
PROMISING AREA AND THAT EXPLAINS GKR'S HARDENED ATTITUDE. WE ARE  
SUGGESTING TO APPROPRIATE GVN OFFICIALS THAT FURTHER NEGOTIATIONS  
WOULD BE IN THE BEST INTEREST OF ALL CONCERNED. LEHMAN  
UNQTE INGERSOLL

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## Message Attributes

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